New Mexico Agricultural Statistics Service

Weekly Ag Update

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INCLUDED IN THIS ISSUE

Crop Weather Milk Production ERS

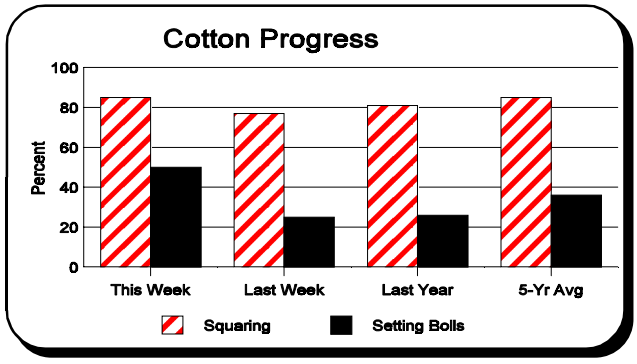
Available on internet at: www.nass.usda.gov/nm OR by e-mail: (call 1-800-530-8810 for information)

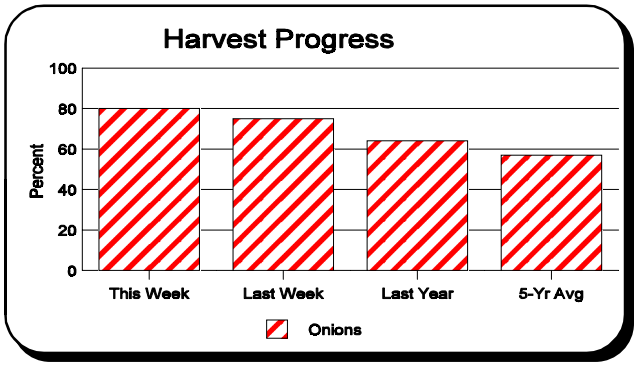
CROP SUMMARY FOR THE WEEK ENDING JULY 16, 2000

NEW MEXICO: Over the week, on average, farmers and ranchers were able to work 6.3 days. Harvesting, irrigating, cultivating, along with weed and insect control kept farmers busy throughout the week. The onion condition was fair to excellent during the week. The corn crop was in fair to good condition, with a 40 percent increase in tasseling from last week. The alfalfa condition improved slightly during the week. The second cutting was nearing completion and the third cutting jumped significantly with 70 percent complete. The cotton condition remained in mostly fair to good condition, with setting bolls at 50 percent. There was still some supplemental feeding of livestock, but less need for the hauling of water. Cattle and sheep conditions improved slightly from last week. Pasture and range feed conditions were reported as 6% very poor, 34% poor, 41% fair, 18% good and 1% excellent.

CROP PROGRESS PERCENTAGES WITH COMPARISONS

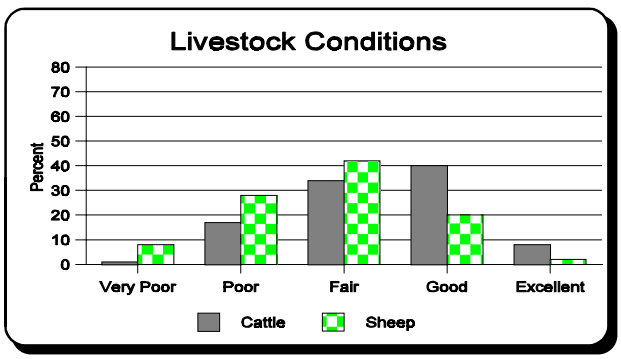
CROP PROGRESS		This Week	Last Week	Last Year	5-Year Average
COTTON	Squaring	85	77	81	85
	Setting Bolls	50	25	26	36
CORN	Silking	60	20	27	16
ONIONS	Harvested	80	75	64	57





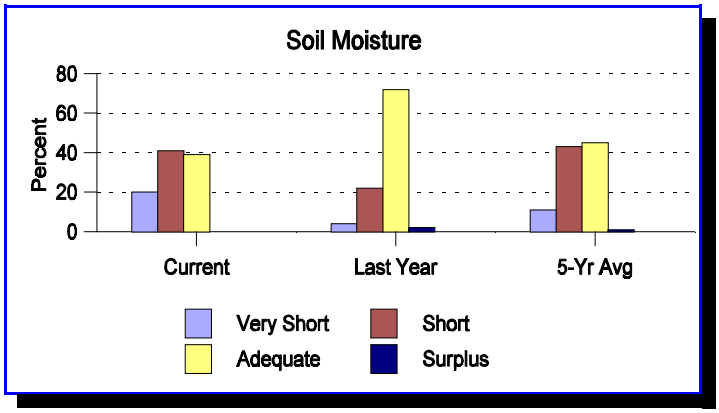
CROP AND LIVESTOCK CONDITION PERCENTAGES

	Very Poor	Poor	Fair	Good	Excellent
Alfalfa	1	4	25	55	15
Apples	--	--	60	40	--
Chile	1	3	28	42	26
Corn	--	--	14	74	12
Cotton	1	1	30	50	18
Onions	--	--	15	57	28
Peanuts	--	--	44	56	--
Pecans	--	--	25	60	15
Sorghum(Total)	5	7	55	32	1
Cattle	1	17	34	40	8
Sheep	8	28	42	20	2



SOIL MOISTURE PERCENTAGES

	Very Short	Short	Adequate	Surplus
Northwest	27	57	15	1
Northeast	14	34	52	---
Southwest	23	37	40	---
Southeast	21	39	40	---
State	20	41	39	---
State-Last Year	4	22	72	2
State-5-Yr Avg.	11	43	45	1



WEATHER SUMMARY

Mountain stations and the far northeast plains reported an active week with showers and thunderstorms nearly every day. Other showers reached into the plains and valleys but only the northeast plains had significant rain averaging over an inch to offset periods of high evaporative demand. Temperatures fluctuated with the daily showers but in general most eastern and southern locations remained very warm with several days of 100 degree heat from Carlsbad to Hobbs north to Tucumcari.

NEW MEXICO WEATHER CONDITIONS JULY 10-16 , 2000

	Temperature			Precipitation				
Station	Mean	Maximum	Minimum	07/10 07/16	07/01 07/16	Normal July	01/01 07/16	Normal Jan-Jul
Carlsbad	86.8	105	69	0.01	1.04	1.79	3.61	5.74
Hobbs	83.4	103	66	0.00	0.10	2.51	2.71	8.65
Roswell	82.7	102	66	0.08	2.23	1.71	4.85	5.96
Clayton	77.1	95	60	1.27	1.37	2.70	6.03	9.00
Clovis	79.8	99	65	0.21	2.28	2.56	7.65	9.57
Roy	73.9	93	58	0.70	3.05	2.97	5.50	9.03
Tucumcari	82.1	101	64	0.17	0.81	3.30	5.71	8.57
Chama	66.1	86	48	0.45	0.63	2.24	9.09	11.08
Johnson Ranch	70.6	90	50	0.57	0.82	1.66	5.05	5.43
Capulin	68.6	87	52	1.55	1.82	3.25	7.58	10.52
Las Vegas	70.1	88	54	1.41	2.96	3.31	8.10	9.07
Los Alamos	67.9	83	55	0.21	0.72	3.25	4.31	9.66
Raton	69.1	88	52	0.77	2.44	2.66	9.70	9.82
Santa Fe	71.7	92	53	0.39	0.56	2.38	3.36	7.64
Red River	59.5	80	42	0.39	0.64	3.01	11.04	11.93
Farmington	78.4	97	55	0.00	0.15	0.94	3.19	4.31
Gallup	73.9	93	51	0.03	0.49	1.91	3.11	6.10
Grants	69.8	91	49	0.44	0.65	1.76	3.18	4.79
Silver City	73.7	89	58	0.00	0.00	2.65	5.11	7.55
Quemado	67.1	89	47	0.04	0.30	2.13	3.94	5.03
Albuquerque	79.1	95	64	0.30	0.30	1.37	3.02	4.42
Carrizozo	75.6	93	58	0.00	0.07	2.05	3.74	5.55
Gran Quivera	71.4	90	50	0.59	2.67	2.81	8.38	7.52
Moriarty	73.0	95	52	0.02	0.14	2.38	4.16	6.37
Ruidoso	67.9	84	52	0.36	0.83	4.02	7.62	10.99
Socorro	77.4	95	60	0.92	0.93	1.44	3.95	3.94
Alamogordo	80.6	97	64	0.12	0.16	2.23	1.51	5.51
Animas	79.8	94	63	0.95	1.11	2.26	3.74	4.74
Deming	80.8	97	65	0.22	0.26	2.15	3.74	4.43
T or C	80.2	96	65	0.17	0.37	1.86	4.61	4.44
Las Cruces	80.6	96	62	0.49	0.50	1.36	3.37	3.63

(T) Trace (-) No Report (*) Correction
All reports based on preliminary data. Precipitation data corrected monthly from official observation forms.

MILK PRODUCTION

NEW MEXICO: Milk production in New Mexico during June totaled 446 million pounds, up 11.5 percent from production in June 1999. The average number of milk cows, at 249,000 head, was up 15,000 head from last June and up 3,000 from May. Milk production per cow averaged 1,790 pounds per cow, compared to 1,910 pounds per cow in May and 1,710 pounds per cow one year earlier. New Mexico ranked 10th nationally in milk production in June, and 3rd in production per cow.

UNITED STATES: Milk production in the 20 major States during June totaled 12.1 billion pounds, up 2.8 percent from production in these same States in June 1999. Production per cow in the 20 major States averaged 1,546 pounds for June, 30 pounds above June 1999. The number of cows on farms in the 20 major States was 7.81 million head, 65,000 head more than June 1999 and 10,000 head more than May 2000.

Milk Cows and Production: May 2000[1/] and June 1999-2000

	Milk Cows[2/]			Milk per Cow[3/]			Milk Production[3/]		
State	6/99	5/00	6/00	6/99	5/00	6/00	6/99	5/00	6/00
	----------1,000 Head----------			----------Pounds----------			----------Million Pounds----------		
AZ	134	138	138	1,830	2,095	1,890	245	289	261
CA	1,464	1,513	1,521	1,710	1,850	1,755	2,503	2,799	2,669
FL	159	158	158	1,290	1,460	1,320	205	231	209
ID	317	344	349	1,690	1,800	1,760	536	619	614
IL	122	120	120	1,420	1,550	1,440	173	186	173
IN	136	147	148	1,340	1,480	1,420	182	218	210
IA	217	215	215	1,460	1,610	1,530	317	346	329
KY	133	133	132	1,000	1,130	1,030	133	150	136
MI	303	291	292	1,530	1,610	1,560	464	469	456
MN	545	540	535	1,475	1,555	1,495	804	840	800
MO	159	156	155	1,140	1,320	1,200	181	206	186
NM	**234**	**246**	**249**	**1,710**	**1,910**	**1,790**	**400**	**470**	**446**
NY	702	690	690	1,460	1,530	1,460	1,025	1,056	1,007
OH	260	262	262	1,450	1,550	1,470	377	406	385
PA	614	615	617	1,495	1,615	1,495	918	993	922
TX	346	350	350	1,330	1,520	1,340	460	532	469
VT	159	160	160	1,445	1,530	1,460	230	245	234
VA	121	120	120	1,240	1,390	1,265	150	167	152
WA	247	247	247	1,880	1,980	1,910	464	489	472
WI	1,368	1,350	1,347	1,440	1,505	1,440	1,970	2,032	1,940
20 STS	**7,740**	**7,795**	**7,805**	**1,516**	**1,635**	**1,546**	**11,737**	**12,743**	**12,070**

1/ Revised. 2/ Includes dry cows, excludes heifers not yet fresh. 3/ Excludes milk sucked by calves.

Livestock, Dairy & Poultry Outlook

6/00, USDA, ERS

Dairy Markets Seek Stability Growth in milk production continues to limit increases in milk and dairy product prices, despite strong demand. Wholesale prices of butter and cheese posted some rises soon after the seasonal supply crest, but movements have been erratic. Farm milk prices are projected to average about $1.50 per cwt lower in 2000. If the dairy support purchase program ends at yearend as scheduled, farm milk prices may be about unchanged in 2001.

Milk Production Growth Eases Milk cow numbers edged higher thus far in 2000 as farm expansions, already underway before the price drop, moved toward full capacity. Shortages of replacement heifers delayed the full effects of 1998-99' s relatively high returns on milk cow numbers. Expanding and new farms are unlikely to alter their plans and probably will be an important factor through the end of the year. However, recent low milk prices are likely to slow new expansion plans.

Exit of producers from dairying has not yet appeared to accelerate in 2000. Although sizable numbers of farmers cannot generate much family income at recent milk prices, these producers tend to have relatively little debt. Their exit decision is relatively independent of outside forces, and returns of earlier years were sufficient to delay decisions. However, the exit of farmers is expected to pick up soon as hopes for a quick price recovery fade.

Milk cow numbers are projected to slip below a year earlier by late 2000. Even so, declines may be gradual and typical year-to-year decreases may not resume until well into 2001. Milk cow numbers are expected to average about unchanged in 2000, followed by a decline of 1 percent or slightly more in 2001.

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Even with lower milk prices, milk-feed price ratios stayed moderately favorable for increased concentrate feeding and growth in milk per cow. These ratios, along with generally good supplies of acceptable forage and no substantial weather problems, have led to above-trend increases in milk per cow since last autumn. Peak increases came during the winter, but growth remained fairly strong during spring. Increases from the 5-year average are expected to stay robust during the rest of the year and through most of 2001. However, second-half increases from a year earlier may seem modest because of the strong milk per cow posted in the second half of 1999. For the year, milk per cow is expected to increase more than 2 percent from 1999, followed by a smaller rise in 2001.

Prospective large production and presumably large carryin stocks promise large supplies of alfalfa hay for most of the country. However, parts of the Midwest have had rain damage on early cuttings. In addition, the key Pacific region may be an exception to the general pattern of large supplies and moderate prices. Early cuttings this year were reported as significantly rain-damaged, and alfalfa exports have picked up sharply. Conditions for dairy-quality hay might be as tight as they were in 1997-98, boosting costs for western milk producers, slowing growth in milk per cow, and even slowing farm expansions.

Gains in milk production are expected to diminish during the second half of 2000 as milk cow numbers again decline. For the year, milk output is projected to climb almost 3 percent. In 2001, milk production is expected to run near year-earlier levels. However, the current surge in milk production could persist longer than expected if the farm exit rate is slow to accelerate.

Stocks Heavy Commercial stocks of cheese were heavy on June 1, up somewhat from even last year' s large holdings. Although probably not burdensome, the stocks are a potential threat to recent cheese prices. Manufacturers' stocks of nonfat dry milk were quite heavy this year through May 1, and probably remained so on June 1. With both cheese and nonfat dry milk inventories quite large, total June 1 stocks of skim solids probably were larger than desired. Total milkfat in commercial stocks on June 1 likely was comfortable in view of recent strong demand and the coming tight season.

Dairy Prices Erratic A wide variety of forces is unsettling wholesale dairy prices. Milk production has begun its seasonal decline, and increases from a year earlier are easing but still large. Milkfat is approaching its seasonal low production and seasonal peak demand. Stocks are large and sales of skim solids for ingredient use keep declining. Demand for cheese and milkfat stays quite strong. DEIP activity has been very light, will become brisk, and may decrease again by autumn. Because of weak international market butter prices and slightly lower tariffs, over-Tariff Rate Quota (TRQ) butter and butteroil will become feasible at much lower prices this year.

Moderate additional seasonal rises in wholesale cheese and butter prices likely will come out of this welter of conflicting factors by autumn. However, price reversals may well remain common as traders struggle with conflicting factors. Little movement is expected in nonfat dry milk prices until at least late in the year. Even then, significant increases are not expected unless sales of separated skim solids recover.